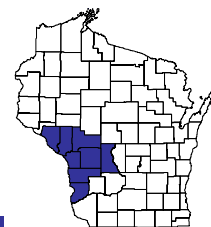


WORKFORCE OBSERVATIONS

for the Western Wisconsin counties

Buffalo, Crawford, Jackson, Juneau, La Crosse, Monroe, Trempealeau, and Vernon



published quarterly by the Office of Economic Advisors,

Wisconsin Department of Workforce Development

Winter 2006

In this issue:

- > Unemployment rates down
- > Labor force declines
- > Jobs in the region increase by 2,300 in 2005
- > Quarterly Economics Scorecard (page 5)

2005—The Year in Review

Average annual labor force data for 2005 in Western Wisconsin Area showed a slight decline in the number of workers in the labor force between 2004 and 2005. It also indicated a moderation of the area's unemployment rate from 2004. The annual rate for the area was 4.3 percent, 0.4 percentage points below the statewide average of 4.7 percent. Barring revisions when final data is released later this year, this will be the lowest unemployment rate for the region since 2000 when the annual rate was 3.6 percent.

The rate for 2005 was 0.2 percentage points below the 2004 average annual rate. The lower rate was a combination of several factors in 2005. One was a lower number of workers in the labor force. The number of workers in the labor force declined by 800 in 2005. The other factor was fewer workers unemployed. The number of workers estimated to be unem-

ployed was down by 400 from 2004.

This pattern of a lower labor force and fewer unemployed workers was common throughout the state with the exception of the Fox Valley Area. While the number of unemployed also declined over the year in the Fox Valley Area the area, unlike the rest of the state had an increase in their labor force over the year.

It is too soon tell if the decline in the labor force in the region and state is due to economic reasons or a precursor to a declining labor force in the years to come in relationship to the aging of the population. The first of the nation's 79 million baby boomers began turning age 60 in 2006.

Looking at the region from the viewpoint of the number of jobs in the region, there was an annual average increase of 2,290 jobs in the region (+ 1.6 percent from 2004). This was above the state's prelimi-

Western Wisconsin Annual Employment

Annual Averages*

	2004	2005	One Year Change
All Industries	143,420	145,710	2,290
Construction, Mining & Natural Resources	5,500	5,690	190
Manufacturing	23,820	23,990	170
Trade	22,070	22,800	730
Transportation, Warehousing & Utilities	8,110	8,290	180
Financial Activities	5,220	5,340	120
Education and Health Services	22,580	23,450	870
Leisure & Hospitality	12,900	12,750	(150)
Information, Professional/Business Services, & Other	16,790	17,280	490
Total Government	26,030	26,120	90
Federal	3,370	3,300	(70)
State	4,210	4,490	280
Local	18,250	18,330	80

*Preliminary. Note: For the purposes of this chart, all of the La Crosse MSA has been included in the Western Wisconsin WDA. The La Crosse MSA consists of La Crosse County WI & Houston County MN.

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WORKFORCE OBSERVATIONS BY THE OFFICE OF ECONOMIC ADVISORS

		Dec 2004	Jan 2005	Feb 2005	Mar 2005	Apr 2005	May 2005	Jun 2005	Jul 2005	Aug 2005	Sep 2005	Oct 2005	Nov 2005	Dec 2005
Buffalo County	Actual	4.1%	5.5%	5.8%	5.5%	4.5%	3.9%	4.3%	3.8%	3.5%	3.2%	2.8%	3.4%	3.9%
	Typical	4.5%	5.6%	6.1%	6.1%	4.8%	3.9%	4.5%	3.8%	3.7%	3.3%	3.3%	3.8%	4.5%
	Difference	- 0.4%	- 0.1%	- 0.3%	- 0.6%	- 0.3%	0.0%	- 0.2%	0.0%	- 0.2%	- 0.1%	- 0.5%	- 0.4%	- 0.6%
Crawford County	Actual	4.6%	6.1%	6.7%	6.6%	5.4%	4.8%	4.8%	4.4%	4.0%	3.7%	3.4%	4.0%	4.6%
	Typical	4.9%	6.2%	6.9%	6.7%	5.4%	4.7%	5.1%	4.8%	4.3%	3.9%	3.6%	4.3%	4.9%
	Difference	- 0.3%	- 0.1%	- 0.2%	- 0.1%	0.0%	0.1%	- 0.3%	- 0.4%	- 0.3%	- 0.2%	- 0.2%	- 0.3%	- 0.3%
Jackson County	Actual	5.7%	7.4%	8.1%	7.6%	5.6%	5.0%	5.1%	4.6%	4.5%	4.4%	4.1%	4.9%	6.2%
	Typical	6.2%	7.8%	8.2%	8.2%	5.9%	4.4%	4.9%	4.4%	4.3%	4.0%	3.9%	4.9%	6.2%
	Difference	- 0.5%	- 0.4%	- 0.1%	- 0.6%	- 0.3%	0.6%	0.2%	0.2%	0.2%	0.4%	0.2%	0.0%	0.0%
Juneau County	Actual	6.2%	7.6%	8.0%	7.4%	6.2%	5.6%	5.6%	5.1%	5.3%	4.8%	4.6%	5.5%	6.3%
	Typical	6.5%	8.4%	8.9%	8.8%	7.3%	6.4%	6.6%	6.0%	5.9%	5.4%	5.2%	6.0%	6.5%
	Difference	- 0.3%	- 0.8%	- 0.9%	- 1.4%	- 1.1%	- 0.8%	- 1.0%	- 0.9%	- 0.6%	- 0.6%	- 0.6%	- 0.5%	- 0.2%
La Crosse County	Actual	3.5%	4.5%	4.9%	4.6%	3.7%	3.7%	4.0%	3.8%	3.6%	3.5%	3.1%	3.5%	3.7%
	Typical	3.4%	4.3%	4.6%	4.5%	3.6%	3.4%	3.9%	3.7%	3.5%	3.1%	3.0%	3.3%	3.4%
	Difference	0.1%	0.2%	0.3%	0.1%	0.1%	0.3%	0.1%	0.1%	0.1%	0.4%	0.1%	0.2%	0.3%
Monroe County	Actual	3.7%	4.8%	5.3%	5.2%	4.1%	3.7%	4.0%	3.7%	3.9%	3.4%	3.2%	3.6%	4.1%
	Typical	4.7%	5.5%	5.9%	5.8%	4.7%	4.3%	4.7%	5.2%	5.3%	4.7%	4.5%	4.6%	4.7%
	Difference	- 1.0%	- 0.7%	- 0.6%	- 0.6%	- 0.6%	- 0.6%	- 0.7%	- 1.5%	- 1.4%	- 1.3%	- 1.3%	- 1.0%	- 0.6%
Trempealeau County	Actual	4.6%	5.7%	6.2%	5.8%	4.3%	3.7%	4.0%	3.5%	3.3%	3.0%	2.8%	3.5%	4.4%
	Typical	6.1%	7.5%	8.0%	8.1%	6.1%	4.7%	5.1%	4.6%	4.5%	3.9%	3.8%	4.7%	6.1%
	Difference	- 1.5%	- 1.8%	- 1.8%	- 2.3%	- 1.8%	- 1.0%	- 1.1%	- 1.1%	- 1.2%	- 0.9%	- 1.0%	- 1.2%	- 1.7%
Vernon County	Actual	4.1%	5.3%	5.6%	5.5%	4.1%	3.8%	4.1%	3.7%	3.7%	3.7%	3.3%	3.8%	4.6%
	Typical	4.8%	6.1%	6.7%	6.5%	5.1%	4.2%	4.7%	4.4%	4.2%	3.7%	3.7%	4.2%	4.8%
	Difference	- 0.7%	- 0.8%	- 1.1%	- 1.0%	- 1.0%	- 0.4%	- 0.6%	- 0.7%	- 0.5%	0.0%	- 0.4%	- 0.4%	- 0.2%

For the purposes of this table, typical is defined as a 14 year 1990-2004 average. Estimates are NOT seasonally adjusted. Current month estimates are preliminary.

nary annual growth rate of 0.9 percent.

The various parts of Western Wisconsin's economy changed at different rates between 2004 and 2005. Some industry sectors created new jobs, while others had declines. The

combined education and health care sector had the largest increase in Western Wisconsin, adding over 870 jobs. This sector accounted for just under 38 percent of the annual, net job creation in the region. While specific data at the county level is

not available due to confidentiality standards, it is probably safe to assume that the majority of these jobs were in health care. The trade sector posted the second highest increase (+730) over the year.

Western Wisconsin Workforce Development Area - Annual Unemployment

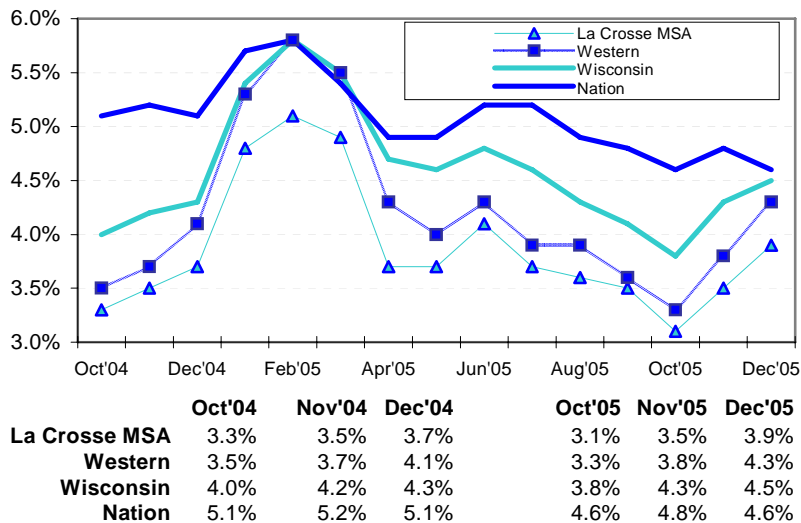
2005 Annual Averages	Buffalo	Crawford	Jackson	Juneau	Lacrosse	Monroe	Trempealeau	Vernon	Region	Non MSA*	Wisconsin
Civilian Labor Force**	8,000	9,500	9,900	13,000	62,800	23,400	16,300	15,000	157,800	95,000	3,050,700
Employed	7,700	9,000	9,300	12,200	60,300	22,400	15,600	14,400	151,000	90,600	2,907,700
Unemployed	330	460	550	780	2,400	950	680	640	6,800	4,400	142,900
Unemployment Rate	4.2%	4.9%	5.6%	6.0%	3.9%	4.1%	4.2%	4.2%	4.3%	4.6%	4.7%
2004 Annual Averages	Buffalo	Crawford	Jackson	Juneau	Lacrosse	Monroe	Trempealeau	Vernon	Region	Non MSA*	Wisconsin
Civilian Labor Force**	8,100	9,500	10,100	13,200	63,100	23,400	16,100	15,100	158,600	95,500	3,071,200
Employed	7,700	9,000	9,500	12,300	60,600	22,400	15,400	14,400	151,400	90,800	2,919,200
Unemployed	360	500	550	830	2,500	980	750	690	7,200	4,700	152,000
Unemployment rate(%)	4.5%	5.3%	5.4%	6.3%	4.0%	4.2%	4.7%	4.6%	4.5%	4.9%	4.9%
Change from 2004	Buffalo	Crawford	Jackson	Juneau	Lacrosse	Monroe	Trempealeau	Vernon	Region	Non MSA*	Wisconsin
Civilian Labor Force**	-100	0	-200	-200	-300	0	200	-100	-800	-500	-20,500
Employed	0	0	-200	-100	-300	0	200	0	-400	-200	-11,500
Unemployed	-30	-40	0	-50	-100	-30	-70	-50	-400	-300	-9,100
Unemployment rate(%)	-0.3%	-0.4%	0.2%	-0.3%	-0.1%	-0.1%	-0.5%	-0.4%	-0.2%	-0.3%	-0.2%

* Seven counties, excluding La Crosse County ** Includes participants residing in area. Estimates are NOT seasonally adjusted and all estimates are preliminary.

Totals may not add due to rounding. Calculations based on unrounded numbers.

The Western Wisconsin Economic Situation—Winter 2005

Unemployment Rates-Not seasonally adjusted



Labor Force

The fourth quarter 2005 unemployment rate for Western Wisconsin was 3.8 percent, unchanged compared to the third quarter average. With respect to the region's counties, the highest unemployment rate for the fourth quarter was measured in Juneau County at 5.5 percent and the lowest rate was 3.4 percent in La Crosse & Buffalo County. An unchanged quarterly rate was quite impressive given the fact that the lowest unemployment rates of the year are measured during the summer months that comprise the third quarter.

As mentioned earlier, the decline in the labor force as compared to last

year is a continuation of a pattern seen throughout most of 2005 compared to 2004, in most areas in Wisconsin. This is a bit perplexing in terms of short-term analysis because it is difficult to attribute this decline to any particular issue. There has been relatively little time to see how well entrenched this decline is, but it is still peculiar, nonetheless, when compared to the fact that the level of the region's labor force has been continually lower, annually, while the regions' jobs numbers (page 1) have been higher.

Industry Employment

The tally of total nonfarm employment in Western Wisconsin averaged 142,900 total jobs in the

fourth quarter. This mark represents a net increase of 1,300 jobs compared to the previous quarter. The bulk of this net quarterly growth was centered in a 2,200 job gain in government employment, which more specifically indicates the fall months' beginning of the school year. Education and health services also posted a noticeable quarterly employment gain of 500 jobs.

Offsetting these employment gains were seasonal losses of employment in leisure and hospitality (1,200 jobs); and construction and natural resources (-500 jobs). Modest declines were noted in the financial, information/general/professional service, and manufacturing sectors.

The quarterly employment change among the region's counties was led by La Crosse County's gain of about 900 jobs. Most other counties in Western Wisconsin posted only minor shifts in total employment from the third to fourth quarter

Western Wisconsin Workforce Development Area - Quarterly Averages

Winter 2005	Buffalo	Crawford	Jackson	Juneau	Lacrosse	Monroe	Trempealeau	Vernon	Region	Non MSA*	Wisconsin
Civilian Labor Force**	8,000	9,600	9,700	12,800	62,800	23,200	16,200	14,800	157,200	94,400	3,047,900
Employed	7,700	9,200	9,200	12,100	60,600	22,300	15,700	14,300	151,200	90,600	2,919,800
Unemployed	270	390	490	700	2,200	840	580	580	6,000	3,800	128,000
Unemployment Rate	3.4%	4.0%	5.0%	5.5%	3.4%	3.6%	3.6%	3.9%	3.8%	4.1%	4.2%
Change from Fall 2005											
Civilian Labor Force**	-100	0	-200	-300	200	-300	0	-400	-1,100	-1,300	-14,200
Employed	-100	0	-300	-300	300	-300	-100	-400	-1,100	-1,400	-10,900
Unemployed	-10	0	40	40	-100	-20	50	20	0	100	-3,300
Unemployment rate(%)	-0.1%	0.0%	0.5%	0.4%	-0.2%	0.0%	0.3%	0.2%	0.0%	0.2%	-0.1%
Change from one year ago (Winter 2004)											
Civilian Labor Force**	100	100	-200	0	-700	300	100	0	-400	300	-19,400
Employed	70	90	-190	-40	-700	270	140	-10	-400	300	-19,200
Unemployed	-10	0	20	-10	0	20	-20	20	0	0	-200
Unemployment rate(%)	-0.2%	-0.1%	0.3%	0.0%	0.1%	0.1%	-0.2%	0.1%	0.0%	0.0%	0.0%

* Seven counties, excluding La Crosse County ** Includes participants residing in area. Estimates are NOT seasonally adjusted. Current month estimates are preliminary. Totals may not add due to rounding. Calculations based on unrounded numbers.

WORKFORCE OBSERVATIONS BY THE OFFICE OF ECONOMIC ADVISORS

	Qtr 4 2005	Qtr 3 2005	Qtr 4 2004	Qtr 4 2005	Qtr 3 2005	Qtr 4 2004	Qtr 4 2005	Qtr 3 2005	Qtr 4 2004	Qtr 4 2005	Qtr 3 2005	Qtr 4 2004	Qtr 4 2005	Qtr 3 2005	Qtr 4 2004
	Buffalo			Crawford			Jackson			Juneau			La Crosse *		
Total Nonfarm jobs	5,200	5,100	5,100	8,700	8,500	8,400	8,500	8,600	8,600	9,000	9,100	8,900	69,300	68,400	69,200
Const/Min'g/Nat. Resources	140	150	140	220	240	220	990	1,190	950	310	320	290	2,800	3,000	2,800
Manufacturing	280	290	250	1,820	1,930	1,810	890	910	900	1,990	1,990	2,000	8,200	8,400	8,700
Trade	410	420	430	2,500	2,100	2,300	940	970	950	1,160	1,160	1,130	11,900	11,700	11,600
Transportation & Utilities	2,100	2,100	2,000	200	190	200	810	800	800	360	330	340	2,200	2,100	2,200
Financial Activities	170	170	160	170	170	170	240	240	240	220	210	200	3,000	3,100	3,000
Education & Health Services	600	600	580	1,250	1,250	1,190	790	800	770	1,240	1,240	1,200	13,500	13,200	13,300
Leisure & Hospitality	300	330	310	810	910	800	740	840	740	690	850	690	6,600	6,900	6,700
Info, Prof/Bus.Srv, Othr Srv.	290	290	280	590	600	580	440	440	450	700	710	660	10,800	10,900	10,800
Total Government	930	820	940	1,200	1,200	1,150	2,700	2,400	2,800	2,400	2,300	2,400	10,100	9,000	10,100
Federal	170	170	160	80	80	70	50	50	50	240	250	260	480	480	450
State	20	20	20	210	230	210	440	460	440	800	810	770	2,700	2,100	2,700
Local	750	630	760	910	890	870	2,200	1,930	2,300	1,310	1,200	1,330	7,000	6,500	6,900
	Monroe			Trempealeau			Vernon			Western			Wisconsin **		
Total Nonfarm jobs	19,400	19,300	18,700	13,800	13,600	13,400	8,900	9,000	8,700	142,900	141,600	141,100	2,976.3	2,957.3	2,836.4
Const/Min'g/Nat. Resources	630	660	610	370	400	350	250	280	250	5,700	6,200	5,600	139.4	146.7	132.9
Manufacturing	3,800	3,600	3,600	5,600	5,600	5,400	710	710	720	23,300	23,400	23,300	503.3	508.2	503.0
Trade	2,600	2,600	2,700	1,480	1,470	1,460	1,780	1,770	1,710	22,700	22,200	22,200	551.0	541.2	443.6
Transportation & Utilities	1,740	1,700	1,690	600	580	590	310	310	310	8,300	8,100	8,200	110.7	107.8	110.2
Financial Activities	500	510	530	470	470	430	410	410	380	5,200	5,300	5,100	158.2	159.6	157.0
Education & Health Services	2,100	2,100	2,000	1,320	1,310	1,260	2,300	2,200	2,100	23,100	22,800	22,400	390.0	380.8	383.9
Leisure & Hospitality	1,570	1,950	1,500	700	820	690	650	700	680	12,100	13,300	12,100	250.7	273.6	244.3
Info, Prof/Bus.Srv, Othr Srv.	2,100	2,100	1,820	1,080	1,060	1,080	640	660	660	16,700	16,800	16,400	446.9	448.9	438.9
Total Government	4,300	4,000	4,300	2,100	1,880	2,100	1,950	1,930	1,960	25,700	23,500	25,800	426.0	390.5	422.7
Federal	2,000	2,100	2,100	120	120	130	110	120	110	3,300	3,300	3,300	29.2	29.3	29.5
State	230	250	240	30	40	30	40	50	30	4,400	3,900	4,500	108.4	99.7	106.0
Local	2,000	1,720	1,990	1,990	1,720	1,970	1,800	1,760	1,820	18,000	16,300	18,000	288.5	261.5	287.1

* Since neither the US DOL nor Wisconsin DWD produces monthly NFWS INDUSTRY estimates for La Crosse County separated from Houston County Minnesota, the NFWS INDUSTRY data for La Crosse County presented here is based on interpolation. ** Wisconsin data in thousands. NFWS data in benchmarked to March 2004. Estimates are NOT seasonally adjusted. Current quarter estimates are preliminary. Totals may not add due to rounding. Calculations based on unrounded numbers.

National Bits

A recent study by the Center for Women's Business Research in Washington found that the number of women-owned businesses with no employees grew 18 percent from 1997 to 2004, twice the rate for all businesses without employees. In addition, the revenue for such women-owned firms grew 66 percent, compared with 42 percent over all. The highest growth rate is found in industries historically dominated by men, like construction, agriculture, and transportation. The center estimates that about 5.4 million firms fall into the category of women-owned businesses with no employees, and they generate an estimated \$167 billion in sales annually. Most run their businesses from home, and many are refugees from the corporate world.

According to the Small Business Ad-

ministration, the one-year survival rate for start-up businesses is 81 percent, the 2-year rate 66 percent and the 4-year rate 44 percent.

The all-settlements average first-year wage increase under collective bargaining contracts negotiated in the first quarter of 2006 is 3.2 percent, compared with 3.3 percent reported in the first quarter of 2005, according to data compiled by the Bureau of National Affairs. The second year average increase in agreements reached in the first quarter of 2006 was 3.3 percent, compared with 3.1 percent in the first quarter of 2005, and the third quarter average increase was 3.1 percent, the same as that reported in 2005.

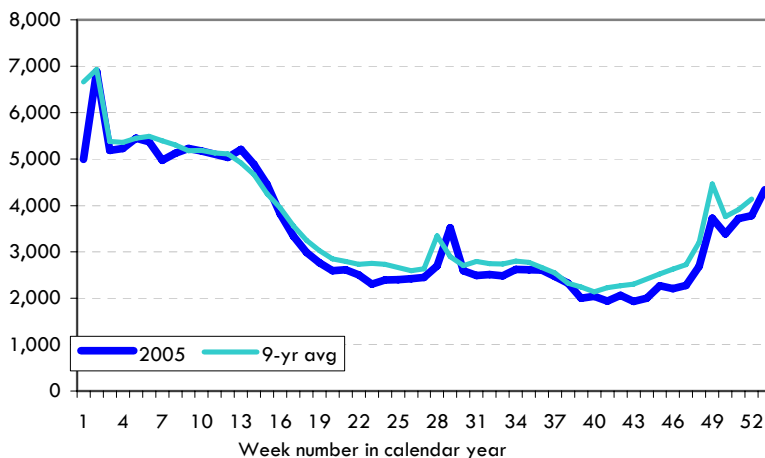
Of the 322 largest counties in the U.S., as measured by 2004 annual average employment, 136 had over-the-year percentage growth in em-

ployment above the national average in September 2005, and 173 experienced changes below the national average. Average weekly wages grew faster than the national average in 132 of the largest U.S. counties, while the percent change in average weekly wages was below the national average in 173 counties.

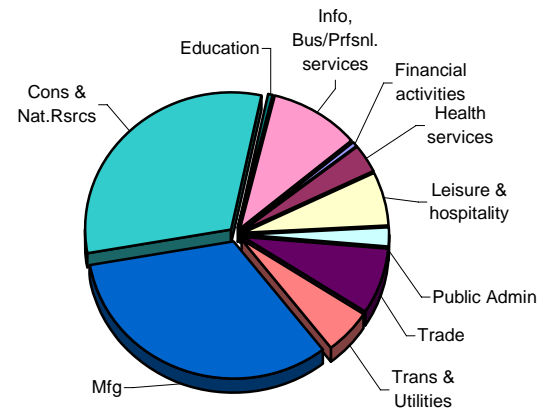
Drivers in the USA will pay 11 percent more for gasoline this summer than a year ago, according to the Energy Department. These predictions offer hope that prices will be lower than they are now at the peak of the summer driving season. The price of a gallon of regular gasoline will average at least 25 cents higher than last year and up more than \$1 from the summer of 2003, the Energy Information Administration said in its annual summer gasoline outlook.

Quarterly Economics Scorecard

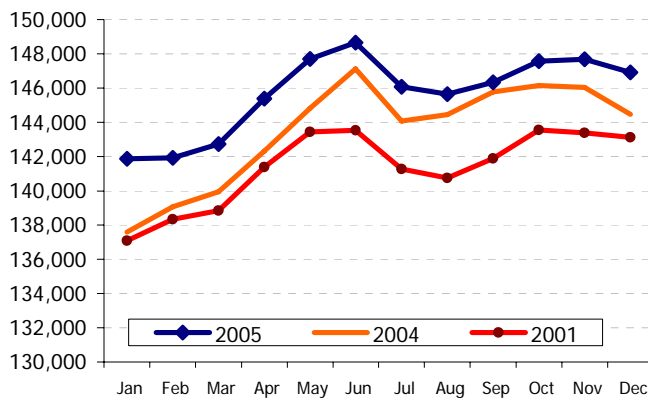
Western Wisconsin Weekly Claims for Unemployment Benefits



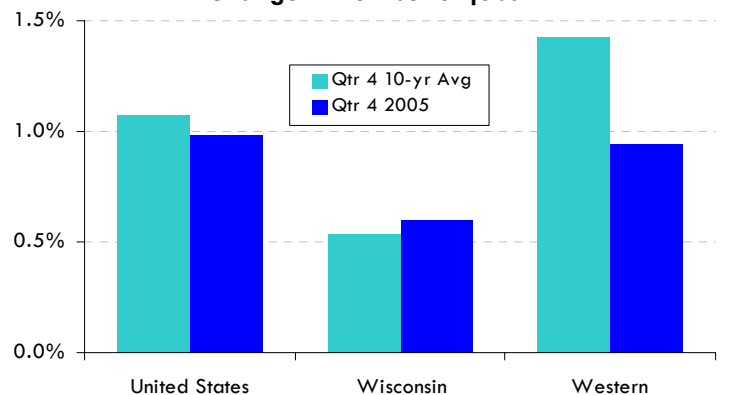
Initial Claims for Unemployment Benefits by Industry in Qtr 4 2005 in Western Wisconsin



Total Nonfarm Jobs in Western Wisconsin



Change in number of jobs



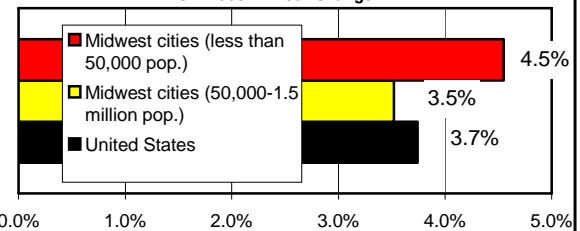
Note: For the purposes of the two graphs depicted directly above, all of the La Crosse MSA has been included in the Western Wisconsin WDA. The La Crosse MSA consists of La Crosse County WI & Houston County MN.

Consumer Price Index (CPI) - All items (not seasonally adjusted)	Change over previous quarter				over yr Qtr 4 2004
	Qtr 1 2005	Qtr 2 2005	Qtr 3 2005	Qtr 4 2005	
United States	0.6%	1.3%	1.2%	0.5%	3.7%
Midwest cities (50,000-1.5 million pop.)	0.5%	1.2%	1.6%	0.2%	3.5%
Midwest cities (less than 50,000 pop.)	1.0%	1.5%	1.7%	0.3%	4.5%
Employment Cost Index (not seasonally adjusted)					
Civilian total compensation	1.1%	0.6%	0.9%	0.5%	3.1%
Private industry total compensation	1.1%	0.7%	0.6%	0.4%	3.0%
Local & state govt. total compensation	0.9%	0.3%	1.8%	1.0%	3.7%
Civilian wages	0.7%	0.5%	0.8%	0.6%	2.3%
Private wages	0.7%	0.6%	0.7%	0.5%	2.2%
Local & state government wages	0.6%	0.2%	1.3%	0.9%	2.7%
Civilian benefits	2.2%	0.7%	1.1%	0.4%	5.1%
Private industry benefits	2.3%	0.8%	0.7%	0.2%	4.8%
Local & state government benefits	1.4%	0.5%	3.0%	1.1%	6.1%

Source: US Bureau of Labor Statistics

City of La Crosse Unemployment Rates (unadjusted)													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann Avg
2005	5.3%	5.7%	5.5%	4.3%	4.5%	4.8%	4.6%	4.5%	4.2%	3.8%	4.2%	4.3%	4.6%
2004	5.7%	5.8%	6.2%	4.7%	4.6%	5.2%	4.6%	4.6%	4.0%	3.9%	4.1%	4.1%	4.8%
12-month change	(0.4%)	(0.1%)	(0.7%)	(0.4%)	(0.1%)	(0.4%)	0.0%	(0.1%)	0.2%	(0.1%)	0.1%	0.2%	(0.2%)

CPI 2005 Annual Change



Quarterly Changes in Employment Cost Index

